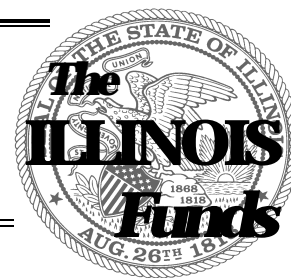


THE I/FAX



ADMINISTERED BY ILLINOIS STATE TREASURER ALEXI GIANNOULIAS

Contact us at www.illinoisfunds.com or 1-800-346-7414

NOVEMBER 2007

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Safety of The Illinois Funds Investments

This morning, Bloomberg News stated that 4.4% of the Florida State Board of Administration's short-term investments were downgraded to junk status and 7.3% may eventually be downgraded due to a combination of bad methodology at the ratings agencies and rapid deterioration of asset-backed securities.

We want to assure all participants of the safety and liquidity of the investments held by The Illinois Funds. The Money Market Fund and Prime Fund invest in Repurchase Agreements (backed fully by U.S. Treasuries), Time Deposits in Illinois Institutions (backed by FDIC for the 1st \$100,000 and by U.S. Treasuries for any amount over \$100,000), and U.S. Treasuries.

The Prime Fund also invests in U.S. Agencies and Commercial Paper rated A1P1 or better. The Illinois Funds never invests in any Asset Backed securities. Additionally, neither fund owns any SIVs (Structured Investment Vehicles), CDO's (Collateralized Debt Obligations), and/or any mortgage backed securities, sub-prime or otherwise.

Happy Thanksgiving

As a reminder, on Thanksgiving Day, November 22, the Illinois Funds will be closed. Furthermore, on Friday, November 23, the Illinois Funds will close early.



Treasurer Giannoulis and the entire Illinois Funds staff wishes you and yours a happy and safe holiday!

Errata

The Illinois Funds Money Market Rate for 11/13/07 was reported in error due to an oversight in the rate calculation by the Fund custodian. The published rate was 4.852% but should have been 4.217%. The Custodian has corrected the calculation today which will reduce today's rate by the overstatement in Tuesday's rate. The Prime Fund rate for 11/13/07 was correct at 4.706%. We apologize for any inconvenience this may have caused and have taken steps to prevent this type of oversight in the future.

MARKET PERSPECTIVE

On October 31, The Federal Open Market Committee cut the fed funds target rate by 25 basis points (bps) to 4.50%. It also cut the discount rate, the cost of direct loans to banks, by 25 bps to 5.0%. Kansas City Fed President Hoenig cast the only dissenting vote. The size of the cuts came as no surprise to most economists and traders, although much of Wall Street wanted another 50 bps.

Also expected, but not welcome, was the change in the Fed's statement of risks and the future direction of policy. The Fed now sees risks to inflation and risks to growth as balanced. The FOMC said in its statement that, "the committee judges that, after this action, the upside risks to inflation roughly balance the downside risks to growth." While the inflation index has remained in what the Fed considers its comfort zone, the weakening dollar and rising oil prices have raised new concerns. Market participants see the change in the statement bias as a pause in further rate cuts and a sign that any move in December is unlikely. By moving to a balanced risk from a risk to growth, the Fed is attempting to stop market expectations from dictating its policy.

Right before the Fed meeting, the markets received 3rd quarter GDP. The economy grew at an impressive annualized pace

of 3.9% in the 3rd quarter which was much greater than expectations. But economists are forecasting a slowing economy and a dismal 4th quarter GDP. They are betting that 4th quarter numbers will be chock-full of the financial crisis and credit crunch problems that were absent from the 3rd quarter report. The largest banks and financial firms have announced more than \$30 billion of write downs in the 3rd quarter, and it looks like there's more to come.

While market participants are putting up a big stink about the change in risk assessment, it's obvious the Fed will move again if it has to. Its statement that the committee would watch the financial markets and other developments and would stand ready to react as needed. While it seems like the Fed is on hold until sometime in 2008, the markets don't seem to think so and continue to price in further rate cuts. The markets feel they have been successful in bullying the Fed into cuts, and their overconfidence is evident in the fed funds futures market. With just a few days past the October meeting, the probability of another 25 bps rate cut in December is at 62%. The next couple of meetings will truly test Chairman Bernanke's resolve.



Safety, Liquidity and Yield



Illinois Funds yields for the period ending 10/31/07

Money Market Fund (Daily Liquidity)

Prime Fund (7-day Liquidity) after 30-day minimum term

Net Portfolio Assets (in millions)	\$5,017	Net Portfolio Assets (in millions)	\$1,848
Monthly Investment Earnings (in 1000's)	\$20,567	Monthly Investment Earnings (in 1000's)	\$7,702
7 Day Yield*	4.61%	7 Day Yield*	4.91%
One Month Yield*	4.62%	One Month Yield*	4.94%
Net Asset Value (per share)	\$1.00	Net Asset Value (per share)	\$1.00
Weighted Average Maturity	3	Weighted Average Maturity	31
*Yield Net of Fees		*Yield Net of Fees	

Monthly Public Sector Rate Comparison

The Illinois Funds, MMF	4.62%	The Illinois Funds, Prime	4.94%
S&P Govt Inv Pool-Govt Fund Index	4.70%	S&P Govt Inv Pool-Taxable Funds Index	5.01%
IL School Dist Liquid Asset	4.85%	IL School Dist Liquid Asset Max	4.99%
3 Month Treasury Bill	3.99%	3 Month Treasury Bill	3.99%
6 Month Treasury Bill	4.16%	6 Month Treasury Bill	4.16%

Monthly Private Sector Rate Comparison

The Illinois Funds, MMF	4.62%	The Illinois Funds, Prime	4.94%
IMoneynet™ - Govt. Institutional	4.31%	Federated Govt Obligations	4.77%
Fidelity - 695 Treas Fund	4.55%	Fidelity - 57 Govt Fund	4.84%
Goldman Fin Sq Treas Fund - 468	4.52%	Goldman Fin Sq Govt Fund - 465	4.82%
30 Day Time Deposit	4.53%	90 Day Time Deposit	4.67%

FUND COMPOSITIONS

Money Market Fund

93.7% - Repurchase Agreements
4.2% - Money Market Funds
2.1% - Certificates of Deposit
0.0% - Treasury Bills
0.0% - Treasury Notes

Prime Fund

59.0% - Repurchase Agreements
1.6% - Certificates of Deposit
6.0% - US Government Agencies
0.3% - Money Market Funds
33.1% - Commercial Paper

E-Pay Information

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Rapid Revenue Information

1-800-346-7414

Visit our website at www.illinoisfunds.com for further information.